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Minister of Finance Releases Report on Canada's Foreign Reserve Holdings

The Honourable Jim Flaherty, Minister of Finance, today released the *Report on the Management of Canada's Official International Reserves* for April 1, 2006 to March 31, 2007.

This annual report provides details on official international reserves operations, primarily related to the Exchange Fund Account (EFA), which is a portfolio held under the *Currency Act* to provide foreign currency liquidity to the Government and to promote orderly conditions for the Canadian dollar in the foreign exchange markets, if required.

The report highlights key achievements of 2006–07, including the implementation of a new investment regime to improve the overall liquidity and investment performance of the EFA and the strengthening of the governance framework under which the portfolio is managed. The EFA has successfully met its objectives of sustaining a high standard of liquidity and maintaining capital value while optimizing returns.

The market value of the official international reserves increased to US$39.3 billion as of March 31, 2007 from US$36.0 billion as of March 31, 2006.

The report can be viewed free of charge on the Department of Finance website. Printed copies are available free of charge from the Department of Finance Distribution Centre at 613-995-2855.

For further information, media may contact:

Chisholm Pothier
Press Secretary
Office of the Minister of Finance
613-996-7861

David Gamble
Media Relations
Department of Finance
613-996-8080

www.fin.gc.ca

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